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CARTAGENA AGREEMENT SESSION ENDS, RESULTS REPORTED

PA171704Y Paris AFP in Spanish 2351 GMT 16 Aug 78 PA

[Text] Lima, 16 Aug (AFP)--The Cartagena agreement commission, the foremost Andean group organization, decided today that the sectorial program for the development of the machine building [metalmecanica] industry will be redefined before next December.

The commission, which closed its 24th period of sessions, said that the new program will be outlined by a group of experts who will meet here within 45 days. Venezuela will receive its allocations after Chile's share has been distributed.

Concerning the petrochemical program, it decided to exclude Chile's allocations from the list and, for the time being the five Andean countries will not stimulate production of those items reserved for Chile.

The transition period will last until the board, the technical organization of the Andean pact, finishes an evaluation of the sector's behavior and the fulfillment of the objectives of the program.

It also recommended to the subregional governments the appointment of a high-level representative to conduct coordinated actions for the implementation of the automotive industry program so that the Andean group will obtain the largest possible profit from this agreement.

It also agreed to convene a group of government experts to study the draft treaty on an Andean court of law within the next 30 days.

Finally, the commission assigned a work group to analyze the fulfillment of the member countries' obligations derived from the process, especially regarding the general liberalizations program, the minimum common external tariff and the sectorial development programs.

NATIONS DISAGREE ON ACRARIAN REFORM AT FAO MEETING

PY170213Y Montevideo Cadena de Oro del Interior in Spanish 1600 GMT 16 Aug 78 PY

[Excerpts] It has been learned that three [as heard] Latin American nations so far have opposed agrarian reform at the Food and Agriculture Organization [FAO] regional meeting which is being held in Montevideo. Radio Cadena de Oro reports from the conference hall of the Municipal Hall.

[Begin recording] From the remarks of their agriculture ministers, these countries reject the imposing of agrarian reform:

Argentina's Mario Cadenas Madariaga has just finished a speech in which he declared that Argentina is in favor of a free rural sector, the incentive of the private sector and a liberal gradualism in the intervention of the state in the matter of overall agricultural policy. Referring to agrarian reform, the Argentine minister said:

[Begin Cadenas Madariaga recording] To state that the development of agrarian reform could be based on the same criterion in the United States as in our countries is something which is almost absurd. The same general criterion can be used with respect to the EEC. [end recording]

These were the Argentine minister's remarks:

Brazilian Agriculture Minister Alysson Paulinelli warned that it is necessary to demand that the trade regulations of the large economic blocs do not discourage production, since in the very near future this could cause a world food crisis. He also wants integration, in seeking the best solution for the supply of foodstuffs.

He recalled that within the economic sector his country gave priority to the agricultural sector and placed emphasis on the redistribution of land, which is being carried out. He said that in order to achieve a change in that part of Brazilian society involved in agriculture, four important lines of action were implemented: the adaptation generation and transfer of technology, stimulation of production, expansion of agricultural boundaries, and integrated rural development.

Chilean Agriculture Minister Rodrigo Marquez de la Plata Yrarrazaval, who returns to Santiago this afternoon, said that his country shares technical ideas when they are the basis for true solution of the [word indistinct] agricultural problems within the context of rural development and include the coordination of all policies intended to improve the standard of living of the rural sector.

He added that Chile is in favor of liberalizing international trade in agricultural products, eliminating obstacles to imports and exports.

Bolivian Agriculture and Campesino Affairs Minister Lt Col Guillermo Escobar Uri announced that within the next 2 years General Pereda's government will try to achieve a profound change in the basic economic and social formulas of family development in the Bolivian rural sector.

He indicated that now that the legal stage of agrarian reform is concluded, Bolivia is undertaking overall rural development as a way of organizing production and giving the sector the necessary support for its development.

The president of the Cuban delegation, (Pedro Morales Carvallo), also came out in support of agrarian reform.

The Ecuadorean delegate, (Paco Montayo), said that an evaluation is currently being undertaken of the results of the application of agrarian reform in his country in order to adopt adequate measures for improving and strengthening this reform, which was begun 14 years ago.

He also said that his country, Ecuador, is maintaining a policy of satisfying internal demand for food and raw materials for industry in order to increase and diversify the available agricultural surpluses for export.

CARICOM SUMMIT POSSIBLY TO BE HELD IN EARLY 1979

FL171315Y Bridgetown GUYANA CHRONICLE in English 11 Aug 78 pp 1, 2 FL

[By George Baird]

[Text] The latest timing for a meeting of CARICOM heads of government has been given as "possibly early 1979", according to the acting head of the CARICOM secretariat, Mr. Carl Dundas.

But Mr. Dundas pointed out that the appointment of a new secretary-general, now considered vital to the restoration of normalcy at the secretariat, need not wait for the summit.

He explained to newsmen yesterday that the appointment could be ratified by the "round robin" practice and procedure.

The post of deputy secretary-general, just left vacant by the appointment of Cde. Joe Tyndall as minister of trade and consumer protection, is also to be filled. And there are others which have been vacant for some time.

Mr. Dundas, speaking at a briefing "to remove doubts and speculations," added that governments are actively considering the present position and he was confident that positive steps will be taken to restore normalcy to the secretariat so far as staffing is concerned in the very near future.

In the meantime "the situation, though difficult, is not quite one of crisis nature and we will endeavour to carry on the affairs of the community and the common market for the time being."

A meeting of foreign ministers tentatively scheduled for the end of this month has had to be rescheduled because one member government could not attend, but meetings scheduled for the next nine to 10 weeks will not be disturbed, he assured.

He went on: "The meetings required to implement recent ministerial decisions are being actively pursued and efforts are being made to meet all schedules and deadlines set at such meetings, particularly in the 12th council meeting held recently in Kingston."

Mr. Dundas pointed out that the house-keeping arrangements for the secretariat are not dealt with at heads of government conferences, but had been delegated to the council of ministers with which he has been meeting.

While it was too early to say whether the staffing situation had affected morale at the secretariat, he agreed that a long delay in holding a summit could influence the secretariat's work load.

Mr. Dundas paid tribute to Cde. Tyndall whose "more than 10 years' outstanding contribution to the regional movement generally, and specifically the secretariat, should not be allowed to go unnoticed on an occasion such as this.

"Perhaps his knowledge of this which was largely responsible for the successful Common Market council meeting recently held in Kingston, Jamaica," Mr. Dundas declared when wishing Cde. Tyndall well it his new endeavour.

Alluding to the fact that responsibility for administering the affairs of the secretariat has been passed on to him for the time being, Mr. Dundas said their knowledge of the operational aspects of the movement is unrivalled in the region. In my view it was this intimate knowledge of human resources in the senior and middle levels are below full strength presently.

In order to meet the challenge which the recent developments have brought, certain adjustments administratively at the level of directors have been made. Adjustments in the use of human resources in order to strengthen those sections that are important to the operational aspect of the secretariat have also been made, particularly in those dealing with the follow-up actions to recent ministerial meetings.

"Some of these adjustments will undoubtedly ask more of our colleagues, but I have every reason to believe that the challenge will be met effectively," Mr. Dundas added.

NEGOTIATIONS WITH CHILE MAY RESUME ON 31 AUGUST

PY180324Y Buenos Aires CLARIN in Spanish 17 Aug 78 p 3 PY

[Text] Official sources told CLARIN last night that the negotiations of the Argentine-Chilean commission No 2 will resume on 31 August.

The sources also stated that during a dialog held at the commission between the leaders of the two delegations, our representative, Gen Ricardo Etchegaray Boneo (ret), presented the Argentine position on maritime demarcation in the southern zone.

Once the proposal was heard, the head of the Chilean delegation, Prof Francisco Orrego Vicuna, stated that his country will study it thoroughly and that he will consult with the government.

They also established 31 August as the possible date to resume talks.

PRESIDENT VIDELA DISCUSSES CONSTITUTIONAL REFORM, TRADE

PY180239Y Buenos Aires TELAM in Spanish 2220 GMT 17 Aug 78 PY

[Excerpts] Bahia Blanca, 17 Aug--Argentine President Jorge Rafael Videla has stated that one of the basic objectives of the process of national reorganization is the attainment of political sovereignty based on the operation of revitalized constitutional institutions.

In an interview published by the local monthly BAHIANA, Videla spoke about the possibility of constitutional reform and stated that this refurbishing of basic aspects of Argentina's institutional regime seeks the installation of a representative, republican and federal democracy in line with the reality and the development and progress requirements of the Argentine people.

With regard to trade with socialist countries, Videla indicated that Argentina's commercial ties with the socialist bloc started some years ago and are a very important factor in our foreign trade. These ties reflect a growing tendency in world trade in general, and our trade in particular, toward multilateral relations based on commercial convenience, and do not affect or interfere with each country's politics.

BIDS SOUGHT ON CONSTRUCTION OF HEAVY-WATER PLANT

PY171703Y Buenos Aires TELAM in Spanish 0240 GMT 17 Aug 78 PY

[Text] Buenos Aires, 16 Aug--One more step toward national self-sufficiency in nuclear energy will be made next Monday when the first bidding for the construction of an experimental model plant for the production of heavy water takes place.

The first bidding includes the qualifications of the applicants for public bid No 96 to win the contract for the engineering details for the construction, assembly and technical assistance of the plant, which will be built near the Atucha nuclear plant.

The installation's basic engineering was prepared by the Santa Fe Technological Development Institute for the Chemical Industry of Santa Fe, a subsidiary of the Litoral National University and the National Council for Scientific and Technical Research.

The National Atomic Energy Commission (CNEA) has indicated that the production of heavy water, along with uranium and the production of fuel elements, are the basic pillars of the Argentine nuclear energy program.

Approximately 20 Argentine enterprises have bid for the construction of the plant and the winners will assume responsibility for the technological development of the project as they will be in charge of the details of engineering construction and the technical assistance for the operation of the plant.

The opening of the bids will be carried out next Monday at 1000 in the CNEA conference room and will be headed by the CNEA president, Rear Adm Carlos Castro Madero.

NUCLEAR ASSISTANCE TO LATIN AMERICA DISCUSSED

PY171726Y Buenos Aires NOTICIAS ARGENTINAS in Spanish 0305 GMT 17 Aug 78 PY

[Text] Buenos Aires, 16 Aug--Rear Adm Carlos Castro Madero, president of the National Atomic Energy Commission [CNEA], stated today that "Argentina is willing to promote and strengthen nuclear cooperation with Latin American countries free of hegemonic interests, but the path is not free from obstacles since some of the more advanced countries wish to establish a foothold in Latin America."

Castro Madero, who delivered a speech at the Argentine Center for Engineers on "nuclear agreements between Argentina and Latin American countries" as part of the speech schedule sponsored by the Argentine Association of Nuclear Technology, added that those more advanced countries "are supported by an industrial and economic power which makes any competition more difficult."

He added: "In the face of the shortage of uranium reserves, the main interest is centered on obtaining active participation in the exploitation of the potential reserves of the region."

He added that those countries "are more encouraging in offering the possibility of installing nuclear generating plants over the medium term and, to this end, they make efforts through offers which appear to be very beneficial."

The CNEA president, who also reviewed more than 20 years of CNEA cooperation with Latin American countries and agreements signed with Bolivia, Ecuador, Uruguay, Paraguay, Chile, Colombia and Peru, stated that in view of the attitude of the more advanced countries, "the challenge Argentina is facing must be met by all those who make up the nuclear community of the country."

He added that CNEA is committing itself to meet its goals and said he trusts that "our businessmen and industrialists will support this with their proven capability which will allow Argentina to successfully compete, both on the technological and economic level, to achieve regional integration."

SUPREME COURT PRESIDENT REPLACED DUE TO ILLNESS

PY172228Y Buenos Aires TELAM in Spanish 2110 GMT 17 Aug 78 PY

[Text] Buenos Aires, 17 Aug--A Supreme Court spokesmen reported today that the health of Justice Horacio Heredia, president of the nation's Supreme Court, has worsened during the past few hours. In view of his illness, Heredia has been replaced by Senior Justice Gabrielli as president of the Supreme Court.

PEREDA'S REFUSAL TO REMOVE TROOPS STIRS REACTION

PY171508Y La Paz Radio Panamericana Network in Spanish 1130 GMT 17 Aug 78 PY

[Text] The mineworkers, newsmen and radio workers federations of this country stress the need to order the withdrawal of troops from the mining centers in order to guarantee a genuine democratization process. The document, signed by the leaders of the above-mentioned labor organizations, cites the fifth point of the document which has been signed by leaders of the press and radio workers, the interior minister and the army chief of staff, Gen Ramon Azero, in which they agreed to study the withdrawal of military units from the mining districts.

President Pereda's statements that the troops will remain in the mining centers have, however, led to a renewed stand by mineworkers, newsmen and radio workers and a new request that the troops be withdrawn, since they are a factor of concern and harassment for the workers. The document in question has been read by Andres Solis Rada, secretary for Press Freedom of the Federation of Newspaper Workers [FTPB], and we will reproduce for you some important paragraphs which summarize the general content of the statement:

[Begin recording] Since the government and the armed forces have recognized that the military occupation of the mining centers is a real problem which should be solved as soon as possible, the citizens have been surprised by a statement by President Juan Pereda Asbun that the army troops will not leave the mining centers. The Mineworkers Federation of Bolivia [FSTMB], the FTPB and the (?FESTRATEB) [presumably the Bolivian Federation of Radio and Television Workers] declare that the presence of troops at the mineworkers settlements is a constant source of conflicts, because of the often arrogant behavior of various officers who provoke quarrels and fights. [end recording]

For these reasons, the document says, a true democratic coexistence will not be possible, government commitments are evaded and a state of repression is maintained at the mining centers.

Another paragraph reads as follows:

[Begin recording] The FSTMB, FTPB and (?FESTRATEB) repeat their statement to the armed forces government that it is necessary to withdraw the army from those working sites in order to prevent future and still more serious aggression against the working class. [end recording]

EL DIARIO ASSESSES PINOCHET'S REMARKS ON OUTLET

PY171652Y La Paz EL DIARIO in Spanish 10 Aug 78 p 2 PY

[Editorial: "Thought-Provoking Optimism"]

[Text] During a meeting--a breakfast with some newsmen--the Chilean president stated, with truly thought-provoking optimism, the hope for a better rapprochement with the Bolivian Government in the near future, in order to resume negotiations regarding a sea outlet for Bolivia.

We are unaware of the grounds for Mr Pinochet's optimism. It is risky to speculate on whether the Chilean Government has decided--making a 180-degree turn--to propose or accept, once and for all, through negotiations in which good faith rather than delaying "cleverness" prevail, the modification of the 1879 seizure which keeps us landlocked, on the terms of a just solution including our recovery of our maritime sovereignty and allowing us a full exercise of that sovereignty.

Today, our sovereignty is still being mutilated by the plundering of our ocean rights through a still unpunished war of conquest.

If this is not true, the profession of optimism has no serious grounds considering that the new Bolivian president, in his first statement on the issue after he assumed power, has clearly indicated that resuming relations with Chile implies the SINE QUA NON condition of Chile's "specific proposals to avoid causing new frustrations," in other words, not to fall again into new traps set up with bad faith as the one in Charana or to suffer, quoting Tamayo [Franz Tamayo, famous Bolivian writer], the frustrating consequences of our "very ancient naivete."

If Pinochet's statement does not meet this condition, it can only be interpreted as aimed to somehow minimize the serious and conflictive internal difficulties caused by the overall unstable domestic and international situation which Chile is experiencing.

The Bolivian Government must in no way lend itself to new maneuvers and, in line with President Pereda's above mentioned statement, specific proposals must be requested prior to any negotiations, proposals which must be aimed at implementing the reparation which we deserve, without conditions which may again affect our integrity and sovereignty.

We must in no way lend ourselves to agreeing to REQUESTS for Bolivian proposals which involve anything less than returning at least part of what was our own, or an equivalent physical compensation, IN COASTAL TERRITORY.

We must discard any proposal for granting CORRIDORS or DEVELOPMENT ZONES, which merely constitute Chilean solutions; all those announced so far and even those formulated in Bolivia as Bolivian "ideas" have been studied and planned by Chileans with no goal other than to advantageously meet Chilean interests and to be skillfully used to move us to beg for submissive solutions to replace a port of our own with an inappropriate port.

This warning, which we should always keep in mind, means the correct interpretation of what must be understood as "the intransigent defense" of our maritime rights, as expressed by the Bolivian president in his statement, thus giving his word that "the feeling of the Bolivian people, respecting their dignity as sovereignty," will always be consulted for the management of this problem.

BRIEFS

OILWELL DRILLING--Bolivian Government Oil Deposits [YPFB] reported yesterday that the drilling of the "La Vertiente 4" oilwell has begun in the Chaco Zone of Tarija Department. The new well is situated 1,200 M from the "La Vertiente 2" well, which is in production. The drilling is done by the enterprise Tesoro Bolivia Petroleum under its contract with the YPFB. [La Paz PRESENCIA in Spanish 2 Aug 78 p 11 PY]

PREPARATIONS FOR OPEN-PIT MINING--The Mining Corporation of Bolivia [COMIBOL] is conducting extensive drilling operations in the Siglo Veinte mining district for the extraction of tin ore samples. Based on the initial results of the sampling operation, which will be finished in the first months of 1979, the state mining enterprise will start open-pit mining at Siglo Veinte. It is estimated that there are 80 million tons of tin ore reserves in the district with a 0.3 percent purity; it is believed that those reserves will last for 25 years. [La Paz Radio Panamericana Network in Spanish 1130 GMT 12 Aug 78 PY]

THAI MINING DELEGATION--A Thai delegation arrived in La Paz at noon today to visit the nationalized mining districts and observe the technology being applied. It will begin contacts with mining officials tomorrow. [La Paz Radio Cruz del Sur Network in Spanish 2330 GMT 16 Aug 78 PY]

FINANCE MINISTER HIGHLIGHTS PROBLEMS IN TRADE WITH U.S.

PY172240Y Rio de Janeiro O GLOBO in Portuguese 16 Aug 78 p 22 PY

[Text] Speaking to the third joint meeting of the Brazilian-U.S. Businessmen's Council yesterday, Finance Minister Mario Henrique Simonsen said that the different treatment given by the government to national enterprise was "quite natural" because only in this way will national enterprise be able to compete with foreign enterprise on an equal basis. He said that the practice of a free market--as demanded by some U.S. businessmen--will only be possible if the policy of incentives for domestic enterprise is maintained.

He also asserted that the government does not intend to alter the laws regarding remittance of profits of foreign companies operating in Brazil. Nor will any change be made regarding the policy of incentives for the exports of manufactured goods except for the "emphasis" to be placed on some products, but without changing the amount of those subsidies.

Simonsen also discarded any real possibility of eliminating in the near future the compulsory prior deposit on imports of machinery and equipment when similar models are available domestically. He added that immediate suspension of that prior deposit would have monetary, and consequently inflationary repercussions.

In the opinion of the finance minister, the sudden elimination of the prior deposit on those imports would cause a shrinkage of industrial growth in the following year. Industrial credit would have to be reduced because such credit funds today stand at 45 billion cruzeiros and represent 25 percent of our monetary base. The burden for elimination of this prior deposit will have to be transferred to the next government because Simonsen believes that it will be "impossible" for this government to do so within its term in office. Responding to the observation that he would have to ride the monster he had created--an observation made by a businessman who had asked a question on the elimination of prior deposits "with trepidation about the minister's answer--Simonsen said: "One creates a monster and then lets someone else take care of it. Usually you pass the burden to someone in a higher position." Simonsen pointed out that the compulsory prior deposit on imports will have to be phased out "very gradually, not meaning that it should be done in 20 years."

Regarding the Brazilian policy of incentives on the export of manufactured goods, Simonsen emphatically said: "We intend to maintain an aggressive export promotion policy without reducing the level of subsidies, but perhaps giving emphasis to some products." He however considers it possible to apply "gradual adjustments" to the export incentive system because he believes that there should be other "more acceptable" systems. Backing his view that the export incentive system should be changed "very gradually," Simonsen said: The novice exporter ceases to be a beginner after some time. He is not a baby, not an adolescent and he has become an adult under this incentive system. But he should not expect to become an old man under the same system."

Focusing on the trade difficulties between Brazil and the United States, Simonsen said that before leaving office he intends to find "a definite solution" to the case of textiles where the U.S. Treasury Department wants to impose a surcharge. On this question, which he believes is the most critical in the last 3 years of commercial relations between the two countries, Simonsen revealed that negotiations are underway to keep the U.S. Government from charging countervailing tariffs on imports of Brazilian textiles.

Referring to the subsidies Brazil grants to the export of manufactured goods, Simonsen noted that there are many basic materials, raw materials and infrastructure components needed by Brazil which could be given a similar deferential treatment at the other end to contribute to the consolidation of our developing industry.

Elaborating on this point, Simonsen said that there are many different ways to subsidize exports through mechanisms involving the supply of raw materials, the services of insurance companies and the operation of official banks at the lower-than-market interest rates for export transactions. "If we look at the effects of these mechanisms over a short period of time they do not seem too great. But if we look over a 12- to 15-year period, they can be quite significant."

Simonsen said that the discussions being held under GATT are very important for Brazil, which is a large exporter of manufactured goods. But in his opinion, even if agreement is reached on an international code of subsidies, Brazil and the United States will have to work out their trade questions bilaterally, taking the international rules as a basis. "We want to have negotiations with the United States at the same level as those concluded under GATT. And it is only logical to expect that we should be given different treatment by the United States than it gives other countries for the good reason that most of the manufactured goods Brazil exports are sold to the United States. And we also want the United States to apply the same basic rules both to Brazil and to other countries.

In his speech to the Brazilian-U.S. Businessmen's Council, Simonsen saved his strongest criticism for the U.S. trade act: "It is probably the most violent set of measures unilaterally adopted against exports from developing countries."

Answering a request for more just compensation for the international transfer of technology voiced by Charles Pilliod, chairman of the U.S. section of the council and president of the Goodyear Company, Simonsen responded by asking a question: "How can we pay more justly for it when it is difficult to know if the companies are not using the transfer of technology as an expedient to remit profits?" Since this doubt exists, the minister considers it more practical to maintain some rules as clearly and explicitly as possible. "It is better to have more rigid but well-known rules than less rigid but poorly known rules. So I believe that we must make an effort to keep everything very clear."

Regarding another request by Pilloid, who asked for less government interference in the price control system, the finance minister stated: "I believe the government should strive to pull out of the market a little to let it work more freely."

When Citibank Vice President G.A. Constanzo complained at the hostility being shown the United States for its harder import policy--hostility which, in his opinion, could prompt his country's government to clamp down with more restrictions--Simonsen said: "My worry is this: If we wanted to be hard on the United States, as you said, sir, we could, but the policy we are adopting is not all that hard."

The finance minister began his speech by clarifying some points regarding our foreign debt since "everybody is worried to death" about the approximate figures on the Brazilian foreign debt which have recently been released.

The minister said: "Our net debt will be $29 billion by the end of the year. This is certainly a hair-raising figure, but it will be compensated for with the increase in our foreign reserves. The fact that our reserves are on the increase means that our country's credibility--which is the collateral for our indebtedness--has a good rating."

Although he does not consider the high level of foreign indebtedness anything to get alarmed about, Simonsen sustained the idea of setting a maximum ceiling on it because "as long as the foreign indebtedness rises, interests will keep rising at the same rate. This trend will go against us over the short haul, but in the medium term things will level off."

The minister believes, therefore, that there is only one solution to adjusting the balance of payments: achieving a level at which the current account deficit becomes equal to the level of direct foreign investments. This would be the ideal situation. He then added: "We should step up our exports and establish a ceiling for our foreign debt accordingly."

Figueiredo Remarks

PY170118Y Rio de Janeiro O GLOBO in Portuguese 16 Aug 78 p 22 PY

[Excerpt] Brasilia--Gen Joao Baptista de Figueiredo yesterday conveyed to the representatives of the joint Brazilian-U.S. Busnessmen's Council the intentions of his future government to maintain the current facilities for foreign investments in Brazil, and impressed the businessmen as a dynamic man, according to the statement which Charles J. Pillion, chairman of the U.S. delegation, made after the meeting.

In addition to the chairmen of the two sections of the council--Brazil's representative is former minister Pratini de Moraes--the meeting was also attended by G.A. Costanzo, vice president of Citibank, and Mack Verhyden. All the members of the group agreed that during the brief meeting held at the Aracoara Hotel at the end of the afternoon, none of the subjects of conflict which prevailed during the third plenary meeting of the council were brought to the attention of the candidate. These subjects included the threats made by U.S. industrialists that Brazil would have severe difficulties marketing its products in the United States if its current foreign trade policy persisted.

GOVERNMENT REPORTEDLY AGREES TO MODIFY REFORMS

PY171515Y Rio de Janeiro O GLOBO in Portuguese 16 Aug 78 p 7 PY

[Text] Brasilia--A high-ranking spokesman for the National Renewal Alliance [ARENA] reported yesterday that the government will accept the following modifications to its political reforms project: elimination of the Constitutional Council; a precise definition of the emergency measures, detailing the times of their duration; and alterations to some of the coercive measures, especially the measure which authorizes intervention in labor unions and professional associations.

According to the spokesman, these modifications are contained in the document written by Senator Jose Sarney (ARENA-Maranhad State), who will have to ask for an extension of the deadline for submitting his opinions. At the present time the deadline is 27 August but it can be extended to the beginning of September as his opinions will be voted on by the mixed commssion on 5 and 6 September. The project will be debated during a plenary session on 12 September voted on initially the next day and voted on again on 15 September.

The ARENA source indicated that the modifications to the reorganization of the party will not be accepted by the government. The formula adopted in the project continues to be the one that is preferred.

Before submitting his opinions to the mixed commission, Sarney will submit it to the Political Development Council--Senators Petronio Portela and Eurico Rezende and Deputies Francelino Pereira, Marco Maciel and Jose Bonifacio--during a meeting with President Geisel.

PRESIDENTIAL HOPEFUL SAYS MILITARY DIVIDED ON CANDIDATES

PY172353Y Rio de Janeiro JORNAL DO BRASIL in Portuguese 16 Aug 78 p 3 PY

[Text] After receiving an official invitation from Senator Saturnino Braga (MDB, Rio de Janeiro), to join the Brazilian Democratic Movement (MDB)--an event which will take place tomorrow in Brasilia--General Euler stated:

"A candidacy is for the purpose of struggling and winning." He criticized the government with regard to the succession problem and accused it of harassing the opposition candidate through all means available to make sure that "the official candidate will be elected."

Euler stated that the struggle will take place between two candidates, himself and General Figueiredo. On these grounds he rejected the possibility of a third candidate aimed at uniting the various tendencies and leanings at both political and military levels. The former superintendent of the Superintendency for Development of the Northeast (SUDENE) said that his candidacy is designed to "pacify and reconcile the country," thus eliminating the threat of a confrontation.

Speaking as a candidate to another candidate, and no longer as one at the disposal of a party, General Euler answered a question on the possibility that a confrontation of the two military candidates might lead to the appointment of a third candidate to unite the armed forces. He asserted: "I beleive that this would be an insult to me, the opposition and society. I will not lend myself to this game." He believes "it is impossible because the government is using every means available to it to secure the victory of its candidate."

SUDENE's former superintendent indicated that the situation is clearly defined in the following way: On one side is the official candidate, on the other the candidate of the opposition, who, according to him, "cannot be viewed as an anticandidate." He explained that the government has clearly stated its support for General Figueiredo "and is using all means available and making all efforts to see that he wins."

However, in response to a question regarding a statement by Gen Hugo Abreu, Euler admitted that the armed forces are divided over the candidacy of Gen Joao Baptista de Figueiredo: "They are divided. I have heard some talk in this regard." However, he does not believe that this could lead to a third candidate as a pacifying factor. "This kind of possibilty is getting more and more like the Samba do Cioulo Doido [reference unknown]."

Euler believes that the army "will not be bothered" by a confrontation of two candidates. Both of them are retired four-star generals.

Remarks Refuted

PY171606Y Paris AFP in Spanish 2356 GMT 16 Aug 78 PY

[Text] Brasilia, 16 Aug--Army Chief of Staff Gen Ariel Pacca today reaffirmed that the Brazilian Armed Forces are and always will be united around the ideals of the March 1964 democratic revolution. The unity and cohesion of the army cannot be placed in doubt despite the statements and insinuations which tend toward the belief that we are divided, Pacca said during a speech given here to recently promoted generals.

Observers indicate that his remark answers a recent statement made by Gen Euler Bentes de Monteiro, the likely opposition presidential candidate, about the cracks which are presumably appearing in the army regarding the official candidate to succeed President Ernesto Geisel, Gen Joao Baptista Figueiredo. According to certain rumors published by the Brazilian press, the high military command, in a bloc, is disposed toward supporting Figueiredo, but Bentes apparently has the sympathy of middle-level military officers. Nevertheless, up to the present time nothing concrete has confirmed this information.

On the other hand, Pacca warned against the bad Brazilians who stimulate certain groups to seek to take advantage of the projects for the democratic perfection of the regime which have been prepared by Geisel's government.

Bentes Monteiro Joins MDB

PY180114Y Porto Alegre Radio Guaiba in Portuguese 2150 GMT 17 Aug 78 PY

[Text] Brasilia--In a ceremony which lasted only 30 minutes, Gen Euler Bentes Monteiro became affiliated with the Brazilian Democratic Movement this afternoon. After a brief speech by MDB President Ulysses Guimaraes and a welcoming speech by Deputy Alceu Collares, General Bentes Monteiro said that he had been honored by the invitation to join the MDB, and noted that because of his convictions, he could not possibly reject the invitation.

ARMY MINISTER SAYS NEW MILITARY DOCTRINE UNDER STUDY

PY170116Y Porto Alegre Radio Guaiba in Portuguese 2150 GMT 16 Aug 78 PY

[Text] Brasilia--The army minister, Gen Fernando Bethlem, reported here today that the War College is conducting studies designed to formulate a Brazilian military doctrine pursuant to the evolution of the armed forces themselves. General Bethlem admitted: Although we should, we cannot overcome the great French influence since the French doctrine exerted greater influence than the American doctrine. He also believes that the Brazilian-U.S. military agreement will not be reactivated, noting that this does not mean our relations with Washington will be disrupted.

FORMER MINISTER CALLS FOR LEGALIZATION OF COMMUNIST PARTY

PY170337Y Paris AFP in Spanish 1624 GMT 16 Aug 78 PY

[Text] Sao Paulo, 16 Aug--Former Brazilian Finance Minister Antonio Delfim Neto today indicated that the pro-Soviet Brazilian Communist Party (PCB) should be granted legal status.

During a lecture dealing with political reform which President Ernesto Geisel has submitted to the Brazilian Congress, Delfim Neto stated that once communist parties are provided with legal status they tend to become conservative.

According to the former minister, new political parties are necessary because the officialist National Renewal Alliance (ARENA) and the Brazilian Democratic Movement (MDB) of the opposition "are not enough to assure the full exercise of politics in Brazil."

ARCHBISHOP SUPPLIES INFORMATION ON MISSING PERSONS

PY180200Y Santiago Chile Cadena Agricultura in Spanish 0000 GMT 18 Aug 78 PY

[Text] Concepcion Archbishop Manuel Sanchez has sent a note to Interior Minister Sergio Fernandez, providing background information on 17 persons from his diocese who have either been arrested or are missing. This letter was preceded by other similar ones sent by Cardinal Raul Silva Henriques, (?Linares) Bishop Carlos Camus, Temuco Bishop Sergio Contreras and Talca Bishop Carlos Gonzalez. It has been announced that very soon still another bishop will send a similar note to the interior minister.

COMMENTARY CALLS ARGENTINE BEAGLE POSITION SHAKY

PY172023Y Santiago Chile Domestic Service in Spanish 1145 GMT 17 Aug 78 PY

[Commentary by Rafael Pisainer]

[Excerpts] Shortly after 2000 last night the Chilean Foreign Ministry clearly and categorically stated that, for the present, border negotiations with Argentina have been discontinued because Chile believes that Argentine aspirations over Chilean territory in the southern region are virtually inadmissible. In a few words, ladies and gentlemen, since yesterday evening the Chilean position concerning the negotiations with Argentina is that the Argentine aspirations over the Chilean southern archipelago are completely unacceptable. The Argentine proposals have been declared incompatible with the negotiations by the Chilean Foreign Ministry and with the treaties in force.

The communique issued last night by the Foreign Ministry also refers to the recent communication issued on 8 August by the British Government. This document has been made public but since these generally are long documents with several solemn sentences and containing confusing terms, people generally do not read them. This, however, is an extremely important document because the British arbitration court, ladies and gentlemen, has decided to dissolve since it has issued a definitive, categorical, and unappealable decision regarding the Argentine-Chilean border dispute in the southern region. This commission believes that it has, therefore, concluded its work and that there is no further reason for its existence.

Proof of this is that it has communicated this decision to both the Argentine and Chilean Governments and has requested proper permission of the British Government to proceed with its dissolution.

Moreover, the British Government [words indistinct] treaty signed 76 years ago, believes that the circumstances which motivated the British Government's intervention have concluded. Furthermore, it adds that in view of the existing considerations and the final and mandatory nature of the decision which has been issued, its own functions in this case as arbiter, pursuant to the commitment and the general treaty of 1902, must now be considered fully accomplished. The British Government has authorized the arbitration court to proceed with its dissolution because the situation regarding the Beagle issue has been concluded. There has been a decision. It is mandatory. It is unappealable and there is nothing more to add.

The Chilean position, ladies and gentlemen, opens a new transcendent stage and certainly a period of expectancy, because as the Foreign Ministry communique states, Chile continues to maintain a position of open dialog whenever there are serious proposals which are compatible with the legal spirit and relations of the two countries.

But it seems that this Chilean position of always being willing to hold dialog is merely a nice gesture, a sign of good will, since after the issuance of the arbitration decision there is nothing more to discuss.

There is no international court in the world which can favor Argentina, especially after the Beagle decision and after the reasons which the British arbitration court has given to dissolve itself because, I repeat, it considers this decision to be unappealable, final and mandatory, despite what the Argentine Government says. But since Argentina, despite the Beagle decision, the dissolution of the British arbitration court and all the considerations we have briefly mentioned, still persists in proposing points which Chile considers to be incompatible and irreconcilable with any kind of serious, legal and reasonable negotiations, the Chilean Foreign Ministry declared last night that the negotiations of commission No 2 have concluded for an undetermined period.

This, ladies and gentlemen, marks an important decision for the development of our foreign relations. Reason is on our side, so are the laws and treaties. Based on all this the step taken by our Foreign Ministry last night is the correct one. It is an important decision but it was a decision which undoubtedly had to be taken. Our conscience is quite clear. We have said what had to be said. We have fulfilled the decision of the court, and only God can tell what will happen in the future.

LA TERCERA DE LA HORA CRITICAL OF MINERS' DISMISSAL

PY161830Y Paris AFP in Spanish 1612 GMT 15 Aug 78 PY

[Text] Santiago, 15 Aug--The newspaper LA TERCERA DE LA HORA stated here today that the dismissal of six workers at the Chilean copper mine Chuquicamata is an unfortunate measure. The newspaper said that the measure in no way contributes to social peace in Chile. The paper also noted that the miners were dismissed after they had spoken at a union assembly held at the world's largest open-pit mine, located 1,560 km north of Santiago.

They emphasized that to silence, threaten and take forceful measures against the workers is not the right course of action. The paper then added that Chile's unemployment rate is still too high for the authorities at different levels to order dismissals as an appropriate punishment at the first sign of labor tension.

For 14 days now a large number of the 10,000 Chuquicamata miners have refused to enter the mine's eating facilities, applying so-called lunch-pail pressure [la presion de las viandas] movement.

Strikes in Chile are prohibited under the state of emergency which began five years ago, when the armed forces ousted deceased Socialist President Salvador Allende.

According to union sources, the workers are asking for salary increases of up to 50 percent. Recently, miners of the El Teniente copper field, the world's largest underground mine, located 100 km south of Santiago, expressed their solidarity with the Chuquicamata miners and asked for immediate reinstatement of the workers dismissed by the Copper Corporation, which is a subsidiary of the Chilean military government.

VENEZUELAN FINANCE MINISTER BROACHES POSSIBLE DEFICIT

PA172235Y Caracas EL UNIVERSAL in Spanish 12 Aug 78 p 1 PA

[Text] Venezuelan Finance Minister Luis Jose Silva Luongo asserted yesterday as he left the economic cabinet meeting in Miraflores Palace: We have to develop the country and for this it is necessary to make use of international reserves, but I do not feel this will have a significant impact on the future. He said that fluctuations in international reserves are perfectly normal and depend on the Venezuelan Government's policy in regard to the financing of large industrial projects. In addition, he said, they also serve to meet the requirements for financing private Venezuelan industrial complexes and, as I have said several times, this is a perfectly foreseeable situation which I do not think will have significant effects upon the future.

Silva Luongo continued: We have considered that we may have a deficit in the balance of payments this year and perhaps a smaller one next year, but naturally we must develop the country. And when you see, he told the newsmen, the investment increase in Guayana, which is of 20 billion bolivares, the one in CORPOINDUSTRIA, which is of 6 billion bolivares, and the increase in the assets of the private sector in the industrial complex by almost 15 billion bolivares, it is obvious that we have had to use our international reserves. The balance of payments reflects the imports which have had to increase so the country will develop. If we had stuck to a strict position and had received only the royalties from petroleum, we would not have the developing nation we now have.

Concluding the finance minister said he thinks that there will be equilibrium in international reserves and the balance of payments within 2 years.

CARACAS RADIO CONTINENTE SUSPENDED FOR VIOLATING REGULATIONS

PA180302Y Caracas Radio Continente Network in Spanish 2336 GMT 17 Aug 78 PA

[Caracas Radio Continente Network signed off 3 minutes after completing this item]

[Text] According to instructions by the communications minister, this radio station, Radio Continente, is suspending its broadcasts for 24 hours starting from 1800 today. The suspension was caused because Radio Continente once more made use of the freedom of the press which is a characteristic of the democracy existing in our country, Venezuela. We believe we were fulfilling our duty, informing the people objectively and truthfully. The matter dealt with information on the murder of lawyer Carmona Vasquez recorded on a magnetic tape.

We hereby read the resolution of the Communications Ministry to this radio station. It reads as follows:

Citizen [name indistinct] Olmedo, director of Radio Continente: According to precise instructions of the citizen minister, I hereby inform you, as director of the commercial radio station Radio Continente S.A., that according to a resolution by this ministry and according to Article 199 of the Radio Communications Regulations, this radio station shall be sanctioned with the suspension of all broadcasts for a 24-hour period starting at 1800 today, 17 August 1978, for having included in your news programs items which seek to hamper the course of justice. This is a violation of Article 53 of the abovementioned radio communications regulations. Therefore, I hereby inform you that the radio broadcasting [words indistinct] in Caracas, at this address, will [words indistinct] the sanction imposed on this radio station.

Respectfully, Roberto Perez Zambrano, general communications director

TORRIJOS CONFIRMS RESUMED RELATIONS WITH GUATEMALA

PA180129Y Panama City Televisora Nacional in Spanish 2315 GMT 17 Aug 78 PA

[Text] Chief of government Gen Omar Torrijos Herrera confirmed today in Santo Domingo, Guatemalan Vice President Francisco Villagran Kramer's statement that Panama and Guatemala will resume diplomatic relations. General Torrijos told Televisora Nacional that Salvadoran President Carlos Humberto Romero had acted as mediator to bring about an understanding between the two countries.

Guatemala severed relations with Panama as a result of an opinion that Gen Torrijos issued in connection with the problem that Guatemala has with Belize, a former British colony. However, the new Guatemalan president, Romeo Lucas, promised during the electoral campaign that once in power he would seek a way to restore relations with Panama as soon as possible.

Televisora Nacional is informed that the foreign ministers of Panama and Guatemala will meet in the near future in San Salvador to sign the document containing the two countries' intention to resume relations and to appoint their respective ambassadors.

TORRIJOS SAYS ASSEMBLY EMPOWERED TO SEPARATE GUARD FROM POLITICS

PA172208Y Buenos Aires LATIN in Spanish 2109 GMT 17 Aug 78 PA

[Text] Santo Domingo, 17 Aug (LATIN)--Gen Omar Torrijos, Panama's chief of government, said that the representatives of the 505 corregimientos into which his country is divided are empowered to separate the National Guard from politics. During an interview at a reception held last night at the National Palace by new President Antonio Guzman for the guests at Guzman's inauguration, Torrijos explained that the corregimiento system was established thanks to boots and rifles.

Torrijos said it is the longest popular power experiment in the hemisphere. That was why, he added, the recommendations of the "traditional politicians" to abstain from voting were disregarded by the people in the recent elections.

He explained that in 1968 the National Guard "broke into" politics not to displace one group in favor of another; it was firmly convinced that it could no longer be used indiscriminately to help remedy political errors or support the persecution whims of the ruling class.

PANAMANIAN JOINS WORLD PEACE COUNCIL PRESIDENCY

PA121608Y Panama City CRITICA in Spanish 12 Aug 78 pp 24, 14 PA

[Text] Marcelino Jaen was confirmed as a member of the WPC [World Peace Council] presidency at the last meeting held by that organization at the leadership level. Three Panamanians are now members at the highest level of the WPC.

They are: Camilo O. Perez, vice president of the WPC, Marcelino Jaen, a member of the presidency, and newsman Nathaniel Hill Arboleda, who is secretary for Latin America and who also was confirmed by the Pacifists' World Assembly.

For Marcelino Jaen this is recognition of his long work in support of the just causes of national independence, self-determination and peace.

COSTA RICA

NO SANDINISTS ON NORTHERN BORDER, OFFICIAL SAYS

PA172100Y San Jose Radio Reloj in Spanish 1730 GMT 17 Aug 78 PA

[Text] Public Security Vice Minister Enrique Montealegre said this morning that there have been no incidents on the northern border and that so far no Sandinists have been captured because those elements do not operate from our borders. He added that what the official Nicaraguan newspaper NOVEDADES--owned by the Somoza family--has charged is totally false.

According to Montealegre, the border is duly manned by a contingent of 65 men armed with very modern equipment. The 65 men are divided as follows: 26 men in Penas Blancas, 17 in Upala and 22 in Los Chiles.

NATIONAL LIBERATION DECLARATION CRITICIZES GOVERNMENT

PA180000Y San Jose LA NACION in Spanish 14 Aug 78 p 47A PA

[National Liberation Party congressmen's declaration dated 14 August]

[Text] National Liberation Party congressmen declare: At the beginning of our term we said sincerely that we could carry out our legislative duties in a constructive and patriotic spirit, that we would support every idea, project or plan of benefit for the country, and that we would certainly defend the people's conquests.

Three months after the new government assumed power the country has had only negative answers from official circles. Attacks and maneuvers started in the electoral campaign against the National Liberation Party have continued. We were given minor participation on the permanent committees so that the balance of power would be maintained. So far we have not seen any bills which, it was said during the electoral campaign, were going to mean a total change for Costa Rica. All we have seen is a minor bill dismissing managers of autonomous institutions, instead of abolishing the executive presidencies, and a special budget keyed to the idea of creating jobs for 200 community workers from the Government Ministry, now merged with the Security Ministry, thus dissociating themselves from the scandal they created because of the fact that the latest Liberation administration had 19 regional advisers to attend to problems in the country's most important zones.

Instead of showing something positive to the people this government has unleashed a furious police action, inexplicably supported by the Judicial Investigation Organization (OIJ), persecuting and harassing many honest Liberationists in a manner uncommon to Costa Rican society. It also has vetoed a bill passed without debate submitted by one of our colleagues and supported by a vast majority that would have speeded up the payment of social benefits to which former members of the public force and other officials of the previous administration have a right, knowing that it meant in many cases poverty and hunger in many Costa Rican homes.

Since what has been said is serious there are many delicate issues which should worry the people. As a result of their unrestrained phobia against the National Liberation Party, very important bills for the nation's progress are being held back; institutions are being run down in order to persecute Liberationists who work in them; and in some parts of the country so-called "civic vigilance" groups are being formed, which could establish the most ominous police state among us.

On the other hand, the obsolete economic theories on which the government's economic policy seems to rest have already caused sharp increases in the cost of living.

This is not only harmful for the economy of the poorest homes but also dangerous to the country's social and political stability.

We reiterate our decision to struggle in favor of every action for the country's progress, no matter who takes the initiative. But we will also struggle against political persecution, the government's inaction and against any attempt to run down what the National Liberation Party has accomplished in 30 years of political life in Costa Rica.

We declare once more that we are willing to cooperate in giving the country a positive course for the good the the republic because this is why we were elected by the people. We will also do so in carrying out our party's firm decision to struggle together, as it has always done, for a more just development of our fatherland.

[Signed] Armando Arauz Aguilar, party Legislative Assembly leader; Angel Edmundo Solano Caldero, party legislative alternate leader; Carlos Manuel Castillo Morales, Nini Chinchilla de Mora, Marcelo Prieto Jiminez, Luis Antonio Monge Roman, Juan Munoz Valverde, Caludio Sanchez Fernandez, Juan Carlos Fernandez Saborio, Edgar Arroyo Cordero, Carlos Ugalde Alvarez, Alvaro Jenkins Morales, Oscar Rodriguez Johanson, Alicia Vega Rojas, Mario Coto Varela, Carlos Solano Salazar, Oscar Arias Sanchez, Hernan Azofeifa Viquez, Miguel Angel Chavarria Mendez, Ana Ortega Matarita, Tobias Vargas Rojas, Mario Epsinoza Sanchez, Armando Arrieta Angulo, Rafael Barrientos Germe, Reinaldo Jimenez Gamboa.

EL SALVADOR

SALVADORAN LEGISLATORS MEET WITH PERUVIAN MEDIATOR

PA1712102Y Panama City ACAN in Spanish 0305 GMT 17 Aug 78 PA

[Article by Rosendo Majano H. of ACAN-EFE]

[Text] San Salvador, 16 Aug (ACAN-EFE)--The Salvadoran Legislative Assembly will support and give all possible aid to insure the success of the mission of the mediator of the conflict with Honduras. This was said today, Wednesday, by the congressional directive board to the mediator in the negotiations carried out directly by the two governments to normalize relations.

Peruvian jurist Jose Luis Bustamante y Rivero, who is acting as mediator and is here on a 6-day visit, was told by deputies that the Salvadoran people fervently wish to arrive at a lasting and definite solution in the near future, "not only because we have common interests with the Honduran people but also because Salvadorans are convinced that peoples can progress, initiate and maintain economic and social development only when they live in peace." The Salvadoran legislators told Bustamante y Rivero that his mission will determine the future of Central America, "which can be great only when it stands as an economic bloc before the world. And to the extent that it achieves this goal it will improve its negotiating position before industralized countries or groups of countries." They added that Salvadorans are a hard-working people and, as such, know that peace and stability are essential "for the realization of productive work and the promotion of economic development." They also said that El Salvador has proved its unionist spirit throughout its history. An example is Cabanas Department, named after Gen Trinidad Cabanas, a Honduran, and Morazan Department, named after Honduran hero Gen Francisco Morazan.

The Salvadoran deputies said that the problem "alienating us fromits sister republic of Honduras" is but a problem of form, since there are no obstacles to the entry of Hondurans into Salvadoran territory whenever they so desire.

Salvadoran hospitals, just as before the war of July 1969 which separated us, still care for Honduran patients. "That is to say," the legislators added, "that even though formal relations have been interrupted, family, social, commercial and other types of relations are developing as they did before." They told Bustamante y Rivero that this makes them think that his intervention could lead to a prompt solution.

The Peruvian jurist told the press that he had found among the Salvadoran legislators a sincere desire to reach an agreement and therefore his responsibility, which is overwhelming, is to find a solution. He feels optimistic in this respect, he noted. Bustamante y Rivero, at a news conference tonight at the Sheraton Hotel, reasserted his willingness to serve the two countries to the best of his ability.

GUATEMALA

URBAN TRANSPORTATION STRIKE ALMOST AT END

PA171937Y Panama City ACAN in Spanish 1423 GMT 17 Aug 78 PA

[Text] Guatemala City, 17 Aug (ACAN-EFE)--The Guatemalan urban transportation strike, organized by workers who demanded wage increases, has practically ended today, Thursday, after eight days. Twelve bus companies were taken over by military intervention early yesterday, but a series of problems prevented normalization of transportation services until today. The main problem was the "illegal juggling" of buses by bus owners, which forced the city's municipal council, responsible for carrying out the intervention, to seek the help of special national police units. These units are still looking for the buses which were taken to the country's interior to prevent their being used. The bus owners are trying to prevent the bus services from yielding sufficient profits because they claim that the buses operate at a loss. The purpose of their claim is to prevent the implementation of a 1.50 quetzal (on a par with the dollar) increase per work day granted to bus drivers. Nevertheless, half of the 900 buses are circulating this morning in a normal manner.

HONDURAS

CHIEF OF STATE PAZ GARCIA ADDRESSES CENTRAL AMERICA

PA180336Y Tegucigalpa Compania Televisora Hondurena in Spanish 0202 GMT 18 Aug 78 PA

[Speech by Brig Gen Policarpo Paz Garcia, president of Honduran military junta of government, to governments and peoples of Central America and Panama, in presence of members of military junta Air Force Lt Col Domingo Alvarez Cruz and Infantry Lt Col Amilcar Zelaya Rodriguez; carried over network of Central American television stations, monitored from Panama City Circuito RPC Television--presumably live]

[Text] Friendly governments and brother peoples of Central America and Panama, beloved compatriots: The Superior Council of the Armed Forces, by whose appointment the military junta of government over which I am honored to preside exercises supreme leadership in the state of Honduras, deeply appreciates the noble gesture of the association of television stations of Central America and Panama and the Honduran radio and television network in providing us with the happy opportunity to send respectful and fraternal greetings to the governments and peoples of the fatherland of Morazan and of Panama.

The military junta of government, upon accepting the discipline of soldiers and with total commitment to serving the fatherland, the serious as well as honorable responsibilities for conducting the public affairs of our country, made a formal commitment before the world and our people to continue the policy established in the proclamation of 22 April 1975. That historic document sets forth the guidelines of our comportment as rulers, which can be summarized briefly in the following points:

1. Unrestricted support for and loyal compliance with the international treaties and conventions signed by Honduras. This point is enhanced by our determination to maintain and guarantee our country's strict neutrality regarding the internal affairs of other states while seeking at all times constant and respectful communication with all governments that honor us with there relations and daily strengthen the ties of friendship, the economic, cultural and social ties, and the bonds formed by all values upheld by mankind that link us to all peoples of the world, and particularly to our brothers of Central America and Panama, with whom we are bound by indestructible ties of common history and destiny.

2. In conjunction with the preceding point, the armed forces government will strive to continue the process of mediation with the Republic of El Salvador without interruption of any kind. We trust that the wisdom, the experience and the recognized rectitude of the honorable mediator, Dr Jose Luis Bustamante y Rivero, will guide us with a sense of justice and equity for both countries toward the happy conclusions of a total and definitive settlement of all pending issues.

The military junta of government, with the full support of our people, will continue to promote its peaceful intentions and its interest in having Central America resume the united pursuit of its economic and social development so that, in the future, at no time and under no pretext, will the blood of brothers be shed.

3. We reiterate our firm commitment to the democratic system of government, understood not only in its external forms but also as the participation and consensus of the people in the great national decisions. We reaffirm our commitment to give attention, without discrimination of any kind, to the people's urgent problems and legitimate aspirations. In this regard the armed forces government not only has maintained and continues to maintain a climate of respect for the basic rights and freedoms of citizens, but it also maintains its unshakable determination to guarantee, in strict conformity with the law, the process of constitutionalization of the country--a democratic, clean and peaceful process which is already underway and which will culminate within the time frames that were previously established.

The aforementioned considerations can be summarized briefly by saying that peace, political, social and economic affinities, and the unity of efforts and goals of Central America and Panama are subjects of special consideration and high priority on the part of the military junta of government and the hospitable Honduran nation.

To our compatriots we reiterate our total commitment to safeguarding the most cherished interests of the fatherland, in the conviction that our problems may be difficult but not insurmountable if the people and government face the situation in unity.

Our compatriots know well that we are not men of oratory, nor do we pretend to be so; we are soldiers forged in action and for action, and we would like this quality to be reflected in each and every one of the actions of the armed forces government.

We feel respectful admiration for the marvelous instrument of speech and for those who manage to make it a tool of persuasion. We, who wish to use speech only for constant communication with our people, promise specific achievements, tangible efforts and precise measures that will strengthen Hondurans' faith in their own resources and values and promote their confidence in a better destiny for all.

May God enlighten our steps and strengthen our understanding and our sense of equity and justice for the honor of our armed forces and for the honor and service of our people.

Brothers of Central America and Panama, beloved compatriots, our effusive and fraternal greetings are again directed to all in every corner of these lands of hope and labor. Good night.

MILITARY JUNTA ABOLISHES ADVISORY COUNCIL

PA1802547 Panama City ACAN in Spanish 0223 GMT 18 Aug 78 PA

[Excerpts] Tegucigalpa, 17 Aug (ACAN-EFE)--The governing military junta which assumed power in Honduras on 7 August 1978 today annulled the decree which created an advisory council for the chief of state on 9 March 1976. The advisory council was created mainly to draft the law on elections and political parties which went into effect in January this year and also to make decisions and give opinions on matters submitted by the chief of state.

The military junta's view was that the council already served its purpose and that there are other matters which need priority attention, such as health and education. The junta recognized the work carried out by its members and the institutions they represented, indicating that they had served with patriotism and efficiency.

Finally, the military junta said that it expected that organizations of that type will work just as efficiently and patriotically in the future.

NICARAGUA

SOMOZA ANNOUNCES START OF ELECTORAL CAMPAIGN

PA1718147 Managua NOVEDADES in Spanish 14 Aug 78 p 2-A PA

[Speech by Nicaraguan President Gen Anastasio Somoza at Liberal Party support rally held at the Espana stadium in Managua on 13 August]

[Text] Honorable members of the national and legal board of directors of the Nationalist Liberal Party [PLN]; honorable members of the department board and the local councils of the PLN present here; honorable canton members and electoral directors of Managua; fellow party members of the nation:

I want to express thanks for the eloquent words and sincerity expressed by fellow party members Pablo Fonseca, Leonardo Burgos, Jose Antonio Hooker and Luis German Parajon who, as representatives of the respective canton councils in their zones, have stated their support for the PLN.

I want to thank each and every one of you present here for coming to meet with me this Sunday and to show the nation and the world that this PLN is composed of working people like you who support a democratic government like the one over which I preside for the good of the Nicaraguan Republic.

In these past months, when a political crisis has come up in which the adversary has resorted to violence, a violence which the PLN has answered only with massive party demonstrations in support of the constitutional government, many persons have asked me where the Liberal Party is.

Fellow party members, it is all right for them to ignore rallies such as the one of 26 February, when 150,000 souls met at the Plaza of the Intercontinental [as published]; the one of 1 May, with 60,000 souls, in the Plaza de la Republica; and the 11 July rally in which 40,000 souls celebrated the Liberal Party's day. To those gentlemen who ask me where the Liberal Party is, I am pleased that you present here are answering: "Here we, the Liberals, are."

This meeting, for any politician, could be a political circumstance which could favor him because not any politician has the privilege of addressing an exclusive group of activists and Liberals, through and through, such as you who represent the backbone of the PLN in Managua.

That is why I have said that I am proud to be a Nationalist Liberal and to have struggle companions, men and women, possessing such powerful convictions as those which you, the leaders of the PLN in Managua, uphold.

I am here this morning, conscious of the political force you represent, TO ASSURE YOU THAT NOTHING AND NOBODY WILL BREAK THE POLITICAL CONSTITUTION OF THE REPUBLIC BECAUSE IT IS THE PRODUCT OF THE WILL OF THE MAJORITY OF THE NICARAGUAN PEOPLE, PEOPLE WHO ARE LIBERALS AND WHO ARE DETERMINED TO WRITE THEIR OWN HISTORY.

To have an organization like the one the PLN has today, it has been necessary for peace- and freedom-loving people to make use of the vote regularly, every time elections are held in the country.

Gentlemen, the PLN is one of the parties in America that has never abstained in elections, and because of this we have secured the popular support needed to effect the political and socioeconomic transformation which has been carried out in Nicaragua during the time the Liberals have been in power.

The PLN has not abstained in any election. It has always gone to the polls to vote. When an attempt was made to steal the elections in 1925 it was obliged to fight for the constitution. The revolution of 1926-1927 cost more than 20,000 souls. BUT THAT REVOLUTION STAMPED UPON THE HISTORY OF NICARAGUA RESPECT FOR THE POLITICAL CONSTITUTION AND ALL ITS CONTENTS. ANOTHER MARK IT MADE WAS RESPECT FOR THE POPULAR VOTE, A RESPECT WHICH TODAY SOME NEWCOMERS IN POLITICS, WHO DO NOT HAVE AN ORGANIZED PARTY, WANT TO CAST ASIDE WITHOUT EXPERIENCING THE BLOODY LESSON WHICH COST THE PLN SO MUCH TO BRING PEACE AND PROGRESS TO THE COUNTRY.

For this reason we should not be afraid to state publicly that we are going TO UPHOLD THE CONSTITUTION OF THE REPUBLIC AND THAT AT THE PROPER TIME WE WILL OPPOSE EACH OTHER AT THE POLLS TO SEE WHO HAS THE MAJORITY, THE NATIONALIST LIBERALS OR THE ADVERSARIES OF LIBERALISM.

To have reached this state of development and political organization within a regime of freedoms means that the PLN's ideology has made a profound impression upon a corner of the heart of the great majority of Nicaraguans. I mean to say that liberalism has opened the doors for the most humble men to reach the highest position there can exist in the Republic of Nicaragua.

It is not necessary to have to condemn our traditional values, our own blood and our own race to attain this. It is not necessary to do away with the liberties we acquire when we are born in a free nation like Nicaragua, a free nation with its own will.

It is for this reason THAT WE ARE HERE TODAY, TO RENEW OUR FAITH IN THE PLN; TO RENEW OUR FAITH IN THE COURSE WE HAVE MARKED TO CARRY OUT NEEDED CHANGES IN NICARAGUAN SOCIETY AND TO BENEFIT ALL CITIZENS AND NOT AN EXCLUSIVE GROUP, A SMALL MAJORITY, SUCH AS THE CAPITALISTS WHO HAVE TRIED TO OPPOSE THE LIBERAL PARTY.

Let us turn to the right and left and again see that we are part of a conglomerate which through good will and sacrifices has brought countless advantages to persons you do not know but who recognize that the Liberal conglomerate is the one which has brought the most happiness to the Nicaraguan people.

WE ARE NOT ALONE. YOU HERE IN MANAGUA AND THE MUNICIPALITIES OF THIS DEPARTMENT REPRESENT THE MOST POWERFUL POLITICAL ORGANIZATION IN THE REPUBLIC. YOU REPRESENT 180,000 OF ALL THE VOTES IN THE COUNTRY. THAT IS WHY I HAVE TO LAUGH AT THE NEWSMAN WHO ASKED ME WHY I DO NOT RESIGN TO PLEASE THE OPPOSITION. AND AS I SAID THEN WHEN I ANSWERED THAT IT WAS NOT UP TO ME TO REPLY BUT UP TO THE LIBERALS BEHIND ME, TODAY ON THIS OCCASION I SAY TO HIM: ASK THE 180,000 OF MANAGUA, THE 750,000 LIBERALS OF NICARAGUA, WHAT THEY THINK OF THE GOVERNING LIBERAL PARTY.

All we who recognize the damage done by violence should be afraid to violate our Magna Carta because for many, many years it has brought us peace and cordiality. For this reason we should be determined to uphold the constitution of the republic and the orderly development of our democracy.

On this solemn morning I want to tell you, my fellow party members, canton chiefs of the Department of Managua, THAT THE ELECTORAL STRUGGLE FOR THE FEBRUARY 1981 ELECTIONS STARTS TODAY.

As chief of the PLN, I am not going to allow us to continue to lie down like children while, making use of the liberty that we guarantee and have established in Nicaragua, there are groups which at this very moment are dedicated to staging meetings throughout the country against the Liberals. We are going to struggle from one end to the other for the PLN's continuation from 1981 to 1987. We begin the struggle today because, gentlemen, they have not wanted a dialog; they have wanted to do as they please. Well, now we are going to do what we Liberals think is best for Nicaragua.

As politicians you know very well that politics is something which is carried out daily, day by day, hour by hour; that it is something which requires sacrifices on the part of politicians or the citizen; that for this organization to become what it is required many years, many meetings, much work. IT SEEMS INCREDIBLE THAT A FEW SHOULD TRY TO TELL US: LET US CLOSE THE CURTAIN, LET US START ANEW AND LET US FORM A NATIONAL GOVERNMENT. GENTLEMEN, THE ONLY ONES WHO HAVE COUNTED THEIR NUMBERS HERE ARE WE, THE NATIONALIST LIBERALS. THE OTHERS DO NOT EVEN HAVE A SEMBLANCE OF A PARTY.

They are seeking to establish a national government just because they want it. What authority do the conservatives, who did not even have 50,000 votes in the municipal elections, have? What authority do the Social Christians, the Socialists, who have never gone to the polls or been counted, have? Well, we are going to the elections in 1981. Let us count our supporters and then let them ask what they deserve according to the Nicaraguan political scene.

IT IS TIME FOR US TO SPEAK UP, AS IT IS SAID IN NICARAGUA, WITH UTTER FRANKNESS. WE LIBERALS HAVE TO OUR CREDIT IN THE HISTORICAL RECORD THAT WE HAVE DEMOCRATICALLY VOTED AT THE POLLS. THE ONLY OTHERS WHO HAVE BEEN COUNTED ARE THE CONSERVATIVES. THE REST HAVE TO PROVE THEMSELVES. ALL THIS HAS BEEN DONE FOR THE WELFARE OF NICARAGUA AND I DO NOT SEE HOW WE ARE GOING TO ALLOW SOMEONE WHO HAS ONLY BEEN GIVEN TO SUBVERSION A PLACE IN THE GOVERNMENT WHEN THEY HAVE NOT EVEN BEEN DEMOCRATICALLY COUNTED.

THEY WANT TO STAMPEDE US, BUT I TELL THE LIBERALS: WE HAVE THE MAJORITY IN THE COUNTRY. WE HAVE A POWERFUL PARTY. WE HAVE A PEACE-LOVING PEOPLE, AN ARMY WHICH IS AN EXAMPLE OF LOYALTY. AND ALL OF US IN NICARAGUA HAVE THE WISH TO DEVELOP IN PEACE. TO DEVELOP IN PEACE IS TO UPHOLD THE CONSTITUTION AND TO STAGE EVENTS IN ACCORDANCE WITH THE CALENDAR AGREED UPON THE MOMENT THE CONSTITUTION WAS MADE.

Today I want to tell you to take this message from General Somoza Debayle to your families, to your cantons: The PLN has started the electoral struggle for 1981 and NEITHER SOMOZA NOR THE PARTY ARE LEAVING POWER.

We must protect peace. We must be on the alert against all those who want to disrupt public peace in our cantons. We must try to uphold the law in our cantons. We must unite so that all Nicaraguans will progress and find happinness in peace. WE MUST TURN OUR BACKS UPON VIOLENCE AND COMMUNISM. And we must keep very much in mind that we, the Liberals, have been responsible for the enjoyment of so many social benefits and public freedoms as we have at present, things which our adversaries want to turn against us.

ON THIS OCCASION I WANT TO ANNOUNCE TO YOU THAT THE NATIONAL AND LEGAL BOARD OF THE PLN HAS DECREED A LIBERAL PLEBISCITE FOR 1 APRIL 1979 TO REPLACE THE CONVENTION DELEGATES WHO HAVE DIED AND, DUE TO POPULATION GROWTH, TO ORGANIZE OUR CONVENTION DELEGATES FOR OUR GREAT CONVENTION.

Gentlemen, this is a democratic event which will have to be experienced by the Liberal Party so that it can achieve greatness and so that, when we go to choose the candidate for 1981, the Liberal Party will be strengthened and well-documented at its great convention.

Let us ride, then, together in such a way that we will lead our party to the success which all Nicaraguans desire. Let us obtain the success of the social reforms I have outlined for the future. I want to tell each and every one of you that he who speculates about my health is speculating about his own, because mine is better than those who speculate about me.

LET US THEN RETURN TO OUR HOMES AND OUR CANTONS WITH THE FIRM CONVICTION THAT WE ARE GOING TO UPHOLD THE CONSTITUTION OF THE REPUBLIC AND THAT TODAY WE HAVE STARTED TO ELECT THE NEXT PRESIDENT FOR 1981.

PRIVATE SECTOR PROTESTS NEW TAXES

PA171220Y Panama City ACAN in Spanish 0133 GMT 17 Aug 78 PA

[Text] Managua, 16 Aug (ACAN-EFE)--The unpopular amendments to the income tax law which increase taxes on sales and consumer goods by six to eight percent went into effect today with their publication in the Official Gazette. These amendments, with which the government of Gen Anastasio Somoza expects to collect 300 million cordobas ($42.8 million) annually, increase taxes on 249 articles and create new ones on 124 items, some of them of daily public consumption.

In the meantime, the Nicaraguan Development Institute (INDE), representing the country's private sector, today, Wednesday, expressed its public support of the Nicaraguan Chamber of Commerce's call for civilian resistance to the tax increase. "INDE approves the suggestion which the Chamber of Commerce made to the government that it eliminate a series of privileges and illegal charges and see that the present income tax system is honestly applied, instead of creating new taxes in order to increase state revenue." Finally, INDE says that "it is necessary to pay attention to the people who have unequivocally expressed their disapproval of the new taxes and their brave decision not to tolerate it."

INVESTIGATIONS INTO KENNEDY, KING ASSASSINATIONS REPORTED

FL171130Y Havana Domestic Service in Spanish 1000 GMT 17 Aug 78 FL

[Text] The identity of four persons who participated in the assassination of President John F. Kennedy will be revealed next October by HUSTLER magazine, which paid one million dollars for the information. The announcement coincided with another denunciation made in New York City by North American attorney Mark Lane, who stated that the assassination of President Kennedy had been organized by the Central Intelligence Agency.

The publisher of HUSTLER magazine, who less than a month ago was the victim of an assassination attempt that left him a paraplegic for life, stated that the names of Kennedy's assassins had been reported to the FBI, the CIA and the House of Representatives committee investigating that crime and the one perpetrated against Reverend Martin Luther King. The committee, which is currently investigating the two crimes, is studying reports that Jack Ruby did not murder Lee Harvey Oswald, the alleged killer of Kennedy, but that Oswald had been slain by a Dallas police officer, thus sealing his lips forever.

The House committee itself Wednesday interrogated the alleged murderer of Reverend Martin Luther King, James Earl Ray, who reiterated previous denunciations that he is innocent that he was the victim of a conspiracy to murder the prestigious leader for black human rights. Before congressmen Ray recalled the pressures exerted by police officers who wanted him to admit culpability in the murder, for which he was sentenced to 99 years in prison. The witness said that the crime could have been organized by the Federal Bureau of Investigation which for many years had spied on and harassed Dr King.

PRESIDENT CARTER'S REMARKS AT CIA HEADQUARTERS NOTED

FL180109Y Havana Domestic Television Service in Spanish 0000 GMT 18 Aug 78 FL

[Text] Today at CIA headquarters in Langley, U.S. President James Carter, after expressing confidence in the agents and calling them excellent, stated that the espionage organization had helped him in his job as president. Nevertheless, recently a columnist for the INTERNATIONAL HERALD-TRIBUNE, Abraham Lowenthal, labeled CIA reports as fragmentary and full of faulty evaluations. Lowenthal also referred to the strain in relations between Carter and the CIA which was caused by criticism by the President on the lack of substantial information to support alleged Cuban participation in Shaba.

The Soviet agency TASS also published fragments of other statements made by Carter, who called on the CIA to organize a worldwide espionage system directed, first of all, against the USSR and other socialist countries.

SOMOZA GOVERNMENT CONDEMNED IN RADIO COMMENTARY

FL171836Y Havana Domestic Service in Spanish 1700 GMT 17 Aug 78 FL

[Revolutionary Armed Forces and Interior Ministry Combatants Political Information Program commentary]

[Text] Nicaragua is experiencing a climate of generalized rebellion against the dictatorship of Anastasio Somoza. There is not a single corner of area in that Central American nation where the motto "liberty or death," launched many years ago by the general of free men, Augusto Cesar Sandino, is not being raised.

The Nicaraguan people are on a war-footing against the Somoza dynasty, which has monopolized power for more than four decades. Repression in Nicaragua is so brutal and the regime is so discredited that even the most conservative forces are beginning to consider resignation of the dictator as necessary. Hunger, poverty, illiteracy, lack of public health, prostitution and crime are the only things that the rotten and bloody regime has given the long-suffering people, while the wealth of the tyrant grows more and more as a result of exploitation and dirty deals.

Somoza has converted Nicaragua into a camp of crimes, torture, assassinations and missing persons. Not a single day goes by without the press talking about the death of a child, student or worker. Not a single day goes by without condemnation of the brutal and merciless repression of demonstrators. Not a single day goes by without reference to the injustice and crime imposed by the Nicaraguan regime.

In the face of this situation the strong response of the entire Nicaraguan people is being felt. The Indian district of Monimgo, the city of Masaya, Managua the capital, and other places in that country have been the scene of fierce confrontations between the people and the National Guard. The Sandinist National Liberation Front [FSLN] has put the staggering regime in check. One of the boldest actions executed by FSLN members was a mortar attack on the hideout of the tyrant.

The bloody Somoza regime remains in power thanks to the assistance it gets from the U.S. Government. Last May, Washington granted $12 million to prop up the dictatorship. However, assistance is provided not only with money but also with a constant supply of helicopters, war equipment and arms to repress any protest by the people.

The crisis of the Somoza regime is steadily worsening. The political panorama has changed in that country with the emergence of the Group of 12, which has become well-known by advocating that any truly democratic solution to the present crisis must include active participation of the FSLN.

The flame which Augusto Cesar Sandino lighted in that Central American country is burning brightly. Sandino is with the present generation of Nicaraguans. He is with the combatants in the mountains and cities and with the peasants, workers and students who are oppressed by the savage tyranny. For the Nicaraguan people, yesterday's motto is the same today: Liberty or Death.

PRESIDENT GUZMAN ORDERS RETIREMENT OF FOUR GENERALS

PA172105Y Madrid EFE in Spanish 1753 GMT 17 Aug 78 PA

[Text] Santo Domingo, 17 Aug (EFE)--The new Dominican Government today retired four army generals by means of presidential Decree No 27.

President Antonio Guzman decided to retire Maj Gen Santos Melido Marte, who was President Balaguer's security chief; Carlos Jaquez Olivero, commander of the Northwestern Zone; Anselmo Pilarte, and Angel Urbano Matos Felix. Before doing so he promoted the latter three to the rank of major general. In the same decree Guzman ordered that recognition plaques be given to each of the four generals in the name of the armed forces and the country for their dedication to service while in the armed forces.

TORRIJOS, YOUNG DISCUSS PEACE FORCE FOR NAMIBIA

PA171902Y Panama City Circuito RPC in Spanish 1220 GMT 17 Aug 78 PA

[SERCANO Network]

[Text] Panamanian Chief of Government Omar Torrijos Herrera and new Dominican Republic President, Antonio Guzman have studied the sugar problem and its price in the international market and other important regional topics. General Torrijos said after the meeting that the possibility of a joint front by both nations on the sugar problem was not discussed but that a more open and concerned attitude was expressed because the Dominican Republic is one of the countries most severely affected by the industrialized nations' lack of consideration in imposing sugar prices lower than production costs. In Santo Domingo, Torrijos also met with Andrew Young, the U.S. ambassador to the United Nations, with whom he discussed the possibility of Panamanian troops participating in a peace-keeping mission in Namibia.

GUZMAN RECEIVES ROC VICE PREMIER HSU

FL172256Y Santo Domingo Domestic Service in Spanish 2230 GMT 17 Aug 78 FL

[Text] The president of the republic today received in his office at the National Palace the deputy premier of [Nationalist] China, Hsu Ching-chung. Guzman and the senior Chinese official discussed technical and economic cooperation between the two countries. The distinguished visitor was accompanied by his country's ambassador to the Dominican Republic.

SPANISH PSOE LEADER PRAISES PRD VICTORY

PA171940Y Madrid EFE in Spanish 1440 GMT 17 Aug 78 PA

[Text] Santo Domingo, 17 Aug (EFE)--Felipe Gonzalez, secretary general of the Spanish Socialist Workers Party (PSOE), went to Caracas today at the invitation of President Carlos Andres Perez. The PSOE leader is accompanied by Luis Yanez, party foreign relations secretary. Gonzalez, who arrived in this country two days ago to attend Dominican President Antonio Guzman's inauguration, told EFE that "the victory of the Dominican Revolutionary Party [PRD] has been a victory for all social democrats throughout the world and especially for the Latin American countries." "The world is headed for socialism, a democratic and progressive socialism; that is the destiny of all peoples," Gonzalez said.

GUYANA CHRONICLE CEASES MONDAY PUBLICATIONS TO SAVE COSTS

FL161335 [Editorial Report FL] Kingston DAILY GLEANER in English on 14 August reports that "Guyanese will be without their lone morning paper, the GUYANA CHRONICLE, on Monday, beginning tomorrow, because of a cost-saving decision by government-owned Guyana National Newspapers, Limited. The company has announced indefinite suspension of the publication of the morning paper effective Monday, but said that the evening CITIZEN will be out much earlier than its usual mid-afternoon run, will be much bigger, and, at 15 cents, will be five cents more expensive.

The company announcement said the decision to publish one Monday paper instead of two was made in an effort to reduce consumption of newsprint and save foreign exchange. General manager-editor in chief, Carl Blackman, said the company was spending more than G$2 million on newsprint annually. Suspension of the Monday GUYANA CHRONICLE would save about 150,000 dollars annually, he said.

Blackman said consideration was being given to buying newsprint from the Soviet Union. Supplies now come from North America.

Meanwhile, the Bank of Guyana has turned down an application from the opposition newspaper MIRROR for a license to import newsprint, the paper reported today. In a page-one story the paper said it was informed by Bank of Guyana Governor Pat Matthews, by letter, that no foreign exchange allocations had been made to it for the year. This was because of "the country's continued balance of payments difficulties," Matthews said in his letter which was published by the MIRROR.

The paper acknowledged that it was being provided with newsprint by the government-owned GUYANA CHRONICLE newspaper, but said this was in rationed supplies inadequate to meet other printing jobs, such as booklets. It takes more than newsprint to produce a newspaper, the MIRROR added.

MIRROR's general manager, Narbada Persaud, said an application for a foreign exchange quota had been made last November and after several inquiries the company had been told that the cabinet was considering recommendations made by the Bank of Guyana. MIRROR quoted the general manager as saying that only one import licence had been approved to date, valued at $7,392.75, but another application for 40 tons of newsprint, made in January, had not yet been approved."

SUGAR CROP TARGET SET AT 200,000 TONS

FL171255Y Georgetown GUYANA CHRONICLE in English 11 Aug 78 p 16 FL

[Excerpt] Guyana's second and major sugar crop for the current year is swinging into high gear with the industry's eyes set on the 200,000-ton target.

A Guyana sugar corporation spokesman said several of the 11 sugar factories have begun grinding over the past week or so, and all are scheduled to be in action by mid-month.

The industry made just under 160,000 tons in the first crop, and is hoping to produce at least 360,000 tons for the year.

Last year's production was severely restricted by a record 135-day strike by an opposition-controlled union, the Guyana Agricultural and General Workers Union (GAWU) over a 215-million dollar (G) profit share dispute.

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